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THE CONCEPTS AND VIEWS OF INDIVIDUALS ON WAKALAH ZAKAT IMPLEMENTATION

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ABSTRACT

Wakalah Zakat is a policy of zakat money refunds administered by zakat collection centres known as Pusat Pungutan Zakat (PPZ) to entities that pay zakat to PPZ. The purpose of this research is to examine the wakalah zakat concept and its implementation; to examine the problems faced by individuals who engage in this programme; and to make recommendations on how zakat institutions can improve the programme in order to accomplish the primary goal. A quantitative approach was utilised to target a subset of the people served by the programme. The following recommendations are based on the evaluation of findings and considerations: (1) diversify resources for digital transformation and to stay current with technology by creating an online platform and leveraging blockchain technology; (2) adopt a motivational model by eliminating re-application each year and rewarding participants with occasional gifts and prizes; and (3) invest more resources in public awareness and stakeholder building..

Keywords: Wakalah, Zakat in Malaysia, Zakat collection, Zakat disbursement, Wakalah implementation.

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INTRODUCTION

In Islam, zakat is one of five pillars of faith. Zakat is a kind of worship that comprises the distribution of certain money or financial resources to deserving people (asnaf) (a party that is eligible to receive zakat aid collected from Muslims). When it comes to Islamic law, Zakat is described as the surrender of a percentage of one's money that Allah SWT considers necessary to be divided into numerous categories (asnaf) that are qualified to receive it (as opposed to a portion of one's wealth that Allah SWT considers unnecessary) (Muhammad Zulfikar, 2014). When Muslims make charitable contributions to the poor and needy, they are not only supporting those in need, but they are also cleaning their own souls of selfishness and greed as well. The imposition of zakat, thus, can serve as a tool for preventing, defraying, and ultimately eliminating social problems, fostering the growth and development of the society, and eliminating any social disorders related with financial matters, such as interest and money hoarding (Muhammad Akbar et al., 2001).





Generally speaking, zakat is handled by government agencies. Zakat management is comprised of a number of processes, including education, collecting, identification of asnaf, and disbursement of funds. Following the system's rebuilding and upgrading, zakat institutions, particularly in Malaysia, began to flourish and grow in importance. It is this developed structure, which has been professionally managed, that has contributed to the constant development in zakat collection. One of the most complex and crucial processes is boosting zakat collection, which is important since it has the most weight in the zakat system (MN Paizin, 2021).

PPZ (Pusat Pungutan Zakat), a subsidiary of the Federal Territory Islamic Religious Council (Majlis Agama Islam Wilayah Persekutuan or MAIWP), has been a pioneer in the collection of zakat for the purpose of redistributing it to the less fortunate sections of society for many years. In order to better capture all asnaf for help and ensure that no one is left behind when it comes to attaining the actual essence of zakat in reducing poverty in society, PPZ and MAIWP has spent years developing techniques and procedures to boost zakat collection and disbursement (Khairunnisa Abd Samad, 2013; MN Paizin & S. Sarif, 2016). A variety of approaches and techniques have been employed to improve zakat collection as well as the amount of zakat collected on a yearly basis. Wakalah Zakat Programme, is one example of a development that has been successfully executed. This programme is part of the MAIWP policy of returning a portion of the zakat money paid to the PPZ to entities that pay zakat to the PPZ for distribution to qualified asnaf (Faizul & Shahir, 2019).

Since the program's start, PPZ and MAIWP have been working together to expand and enhance it (Atiah & Hairunnizam, 2017). The feasibility of implementing the Wakalah Zakat Program, as well as the attitudes of individuals regarding it, will be investigated in this research. It is important to say that individual views are needed even though wakalah has been going on for so long as the number of wakalah applicants from among individuals has increased from year to year. In addition, the number of wakalah applications from individuals has also reached RM21 million in 2020, a very large figure (Abdul Ghafur, 2021). Furthermore, this research seeks to determine the extent to which the Pusat Pungutan Zakat (PPZ) has increased the amount of zakat collected through the Wakalah Zakat Programme since its inception; to examine the current challenges in implementing the programme from the perspectives of PPZ, MAIWP, and individual recipients (zakat payers); and to recommend strategies for overcoming the identified challenges and suggesting possible solutions. As a whole, the goal of this research is to identify any important elements that may function as hurdles or problems for participants (zakat payers) in the Wakalah Zakat Programme of the PPZ and MAIWP, in order to improve their participation. This will lead to the presentation of results and suggestions at the completion of this investigation.

LITERATURE REVIEW

The Wakalah Zakat Concept

The term “Wakalah” has been defined in a variety of ways by scholars over the years. The transfer of a work that may be accomplished independently and delegated to others with a precise phrasing (akad) to be completed within the task's lifetime, as stated by Mustafa al-Khin et al. (2005), is defined as Wakalah. According to Hanafi scholars, wakalah is the act of delegating a task to another person to complete a task required by Shariah or acting as a delegate to another person to complete a task.

According to Zayla'i (2000), this comprises all aspects of handling, as well as property management in the form of sales and purchases, as well as delegable responsibilities such as





permission to access. Wakalah, on the other hand, is defined by Maliki, Syafi'i, and Hanbali scholars as the act of a person delegating to others the activities that he is competent of accomplishing, which includes tasks that can be delegated at any point in one's lifetime (Khatib al-Sharbini, 1997). The action is not connected to the conferral of power after death, because if it is, it is already in the form of a will.

In the teachings of Islam, a person may delegate a particular action to another person where the other person is acting on behalf of the giver or who delegates as long as the matters authorized can be delegated by the religion. There are various verses in the Qur'an that support this eligibility, and there are also hadiths that support this eligibility from the Prophet SAW (Wahbah al-Zuhayli, 1999). Thus, this study presents several arguments that show the necessity of the implementation of Wakalah from the Qur'an. According to Mohd Syukri (2013), Wakalah is mentioned in the Qur'an in several verses, and he found that in the Qur'an Allah SWT also states verses that are specifically وَكَيْلٌ that there are 11 verses in the Qur'an while 13 verses containing the word وَكَيْلًا. Among the verses are: Surah Hud [11]: 12 and Surah al-Furqan [25]: 43.

When used to the context of charitable giving, notably in Malaysia, wakalah evolved into a specific act. It is defined as follows in PPZ (2020a): Wakalah is a policy through which the Federal Territory Islamic Religious Council (MAIWP) returns zakat money to entities that have made zakat payments to the PPZ for the purpose of disbursing it to eligible asnaf. The Wakalah system refers to the process by which the MAIWP delegate authority to the zakat payer for the zakat money to be handed over directly to the eligible asnaf via a sum of zakat money paid in accordance with the established conditions. In terms of the process, Wakalah's application will be submitted to PPZ, which will subsequently forward it to MAIWP for review and consideration. The Wakalah application will be approved once all application conditions have been satisfied and evaluated by MAIWP's finance, which will then send payment to the applicant's account via Electronic Fund Transfer (EFT). This results in the MAIWP being the major component of the instrument due to the fact that the MAIWP is permitted to provide permission to Wakalah approval (Faizul & Shahir, 2019). Therefore, the Wakalah zakat distribution applied by PPZ and MAIWP is an example of a fast zakat distribution system and helps to increase zakat collection because the community, which has been given the opportunity to distribute their zakat to the poor (Atiah & Hairunnizam, 2017).

Overview of the Wakalah Zakat Program's Implementation

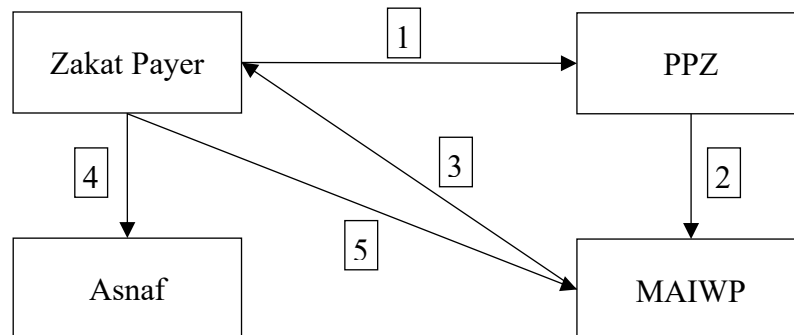
According to PPZ (2020a), Wakalah Zakat Programme was first held by the MAIWP in 2009, when Bank Islam Malaysia Berhad (BIMB) requested a return of 3/8 of its total Zakat payment to be disbursed by them to identified asnaf under their organization. PPZ and MAIWP then proceed to the next step of developing a framework for the new programme in accordance with this initiative. As a result, in 2011, PPZ and MAIWP were able to break through and launch a Program that cleared the way for the improvement of the zakat system while also increasing zakat collection. The programme increased the ability of PPZ-MAIWP to provide support to more potential asnaf for disbursement by expanding the capacity of the organisation. With the introduction of the Wakalah Zakat Programme, zakat payers in the Federal Territory will be able to participate in the distribution process by being appointed to act as a legitimate zakat distributor.

The applicant will be issued a Wakalah appointment letter by the MAIWP, and a briefing will be conducted to clarify the distribution process. A control or monitoring system will be in place six months after the date of receipt of Wakalah. Following the completion of the Wakalah distribution procedure, the applicant is required to submit a report to MAIWP





describing the distribution of zakat funds within one year. It is important to note that if the Wakalah distribution report is not received, the recipient will not be eligible to reapply for the next year (Faizul & Shahir, 2019). The following diagram depicts the structure and flow chart for the Wakalah Zakat Program:



1. The zakat payer pays the zakat to the PPZ.
2. PPZ acknowledges payment and extends Wakalah request to MAIWP.
3. MAIWP approval and transfers reimburse the money to the zakat payer based on the proportion of qualified refunds for each category.
4. The zakat payer disbursed his returned zakat to designated asnaf through an agent or representative (*wakeel*).
5. Within one year of receiving the appointment letter, the agent or representative (*wakeel*) must submit to MAIWP a report documenting the distribution of zakat

Figure 1: The Structure Flow Chart for The Wakalah Zakat Programme

A wide range of groups are eligible to submit applications for this Wakalah Zakat facility. One of them is individuals who makes the zakat payment. This group is given three options: 25 percent of the total zakat payment if the amount paid is between RM25,000 and RM99,999; 37.5 percent of the total zakat payment if the amount paid is between RM100,000 and RM999,999; and 50 percent of the total zakat payment if the amount paid is RM1 million or more.

According to PPZ (2020a), the Wakalah unit's work process will include zakat payment to PPZ. Then, submit an application to PPZ for zakat distribution through Wakalah. When the application is received, it will be forwarded to MAIWP (check & support). The application approval document is reviewed in nine days. When an application is rejected, the file is closed; however, when an application is approved, MAIWP will submit a claim to finance for payment. Electronic Fund Transfer payment procedure (EFT). Prior to Wakalah making the distribution to the asnaf, a briefing and submission of the letter of approval, that is, the submission of the letter of appointment as a zakat payer, will be provided to the zakat payer as an acknowledgement of receipt by PPZ and MAIWP.

When a zakat payer attends a program conducted by MAIWP officers, he or she will gain a better understanding of the concept of asnaf, the amount of a specified limit, and will receive guidance from trained officers to ensure that zakat is distributed in accordance with the asnaf's approval. Within one year of the date of the Wakalah letter, the zakat payer must submit a complete report as soon as the distribution is complete. Within a year, the PPZ will send a friendly reminder to submit the complete report within the first six months. Appointed zakat payers or Wakalah recipients must adhere to the conditions and guidelines established by PPZ and MAIWP (Faizul & Shahir, 2019).





In accordance with the PPZ (2020b), which is referring to their Wakalah Management Policy, Wakalah zakat payers have the option of choosing between two distribution targets: distribution to people or distribution to agencies and organisations. It is necessary to distribute to persons that they are Muslim, Malaysian citizens, and that they match the stipulated limit calculation requirements. In spite of this, the MAIWP has granted flexibility regarding help supplied to non-Muslims in the form of disaster relief and da'wah, so long as the amount provided does not exceed 50 percent of the zakat Wakalah money that was received. The set limit can be calculated in real time based on the location of the state that is to be distributed at the same time. Distribution to agencies or societies necessitates the registration of the organisation with the Registrar of Societies and other similar organisations. If the organisation is a mosque or surau, it is required to be registered with the State Islamic Religious Department of the state. If assistance is to be provided to welfare homes, Tahfiz, and religious institutions, it must also be registered with the State Islamic Religious Department or Council or the Ministry of Education Malaysia, and if it is to be directed to institutions of higher learning or schools, it must also be registered with the Ministry of Education Malaysia. MAIWP will also consider assisting unregistered agencies if they submit a brief report with photographs or pertinent documents, do not contradict Ahli Sunnah Wal Jamaah's beliefs, do not jeopardize national security, and do not violate national law.

The Impact of Wakalah Zakat on the Numbers

From 2012 to 2019, the total contributions collected and disbursed through the Wakalah Zakat Programme reached RM4.5 billion. Individual payers, who have been appointed as wakalah zakat's agents, contributed a total of RM399 million, with reimbursement of RM101 million (approximately 25 percent) as well. According to reports, the Wakalah Zakat Program contributes around 8% to overall zakat collection by averaging zakat collection contributions from every source in the state (Federal Territory). This table summarises the total status of zakat payment and reimbursement on a yearly basis, as follows:

Table 1: Total Zakat Payment and Reimbursement at PPZ

Year	Total Zakat Collection (From every source) [RM]	Individual Payer		
		Zakat Payment from the Wakalah Zakat applicant (agent/wakeel) [RM]	Zakat Reimbursement (Wakalah Zakat from MAIWP) [RM]	Number of participants
2012	402,813,639.88	9,683,469.34	2,364,864.21	62
2013	484,632,029.53	18,643,468.16	4,626,344.53	140
2014	532,915,062.34	35,241,719.23	8,807,626.56	247
2015	557,643,738.18	52,946,117.56	13,199,729.81	364
2016	580,690,160.84	56,105,577.66	13,881,933.80	329
2017	615,199,108.06	62,028,727.65	14,977,443.94	442
2018	651,228,032.94	68,206,603.03	16,951,523.00	476
2019	682,277,217.51	96,672,469.55	26,812,297.00	775
Total	4,507,398,989.28	399,528,152.18	101,621,762.85	2,835

Source: PPZ (2020)



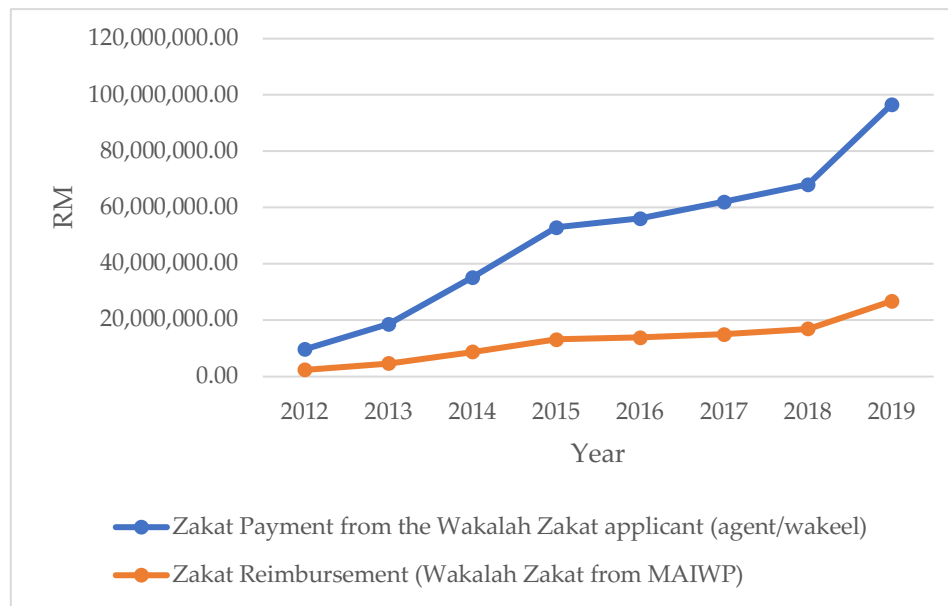


Figure 2: Aggregate Yearly Zakat Payment / Reimbursement (Individual)

Table 1 and Figure 2 illustrate some important findings. As can be seen in the table, participation in the Wakalah Zakat Program has increased on a constant basis, with the exception of participants in 2016, who experienced a reduction. Despite the fact that fewer persons participated in 2016, the total amount of zakat payments and reimbursements increased in 2016. Individuals who participate in the Wakalah Zakat Program are responsible for the significant rise in zakat payment amounts that will occur in 2019. The Wakalah Zakat Programme was established in 2012, and it has seen continuous development in both the number of participants and the amount of zakat paid.

METHODOLOGY

The purpose of this research is to examine possible ways in which the Wakalah Zakat Programme of PPZ and MAIWP could be enhanced to increase zakat collection. In order to achieve the objectives, the research will use both primary and secondary approaches. Primarily, questionnaires were used to gather information about participants in the Wakalah Zakat Program and, as a result, to identify the challenges that they were experiencing. Both multiple choice questions and open-ended questions were included in the questionnaire. Research recommendations are generated by analysing secondary sources such as academic journal articles, government websites, and government publications. A customised questionnaire was designed for persons who were participating in the PPZ and MAIWP Wakalah Zakat Programs as part of this study.

This study uses stratified random sampling as a sampling method. According to Ackoff in Hamed Taherdoost (2016), Stratified sampling is where the population is divided into strata (or subgroups) and a random sample is taken from each subgroup. A subgroup is a natural set of items. Subgroups might be based on company size, gender or occupation (to name but a few). Stratified sampling is often used where there is a great deal of variation within a population. Its purpose is to ensure that every stratum is adequately represented. A total of 775 respondents were selected from the 2019 participants for the survey. Out of a total of 775 people who expressed interest in taking part in the study, 123 participants accepted the invitation and completed the questionnaire, yielding a response rate of 15 percent.





The respondents for this study were reached through an internet survey, which was conducted at a low cost. In order to determine the program's substantial effectiveness, the questionnaire structure includes three dimensions: i) the application process; ii) refund payment and disbursement; and iii) report creation and submission. PPZ and MAIWP are responsible for zakat collection in the Federal Territory of Kuala Lumpur and Putrajaya, hence this study focused exclusively on respondents who lived in these two states, rather than respondents from other states.

RESULTS AND ANALYSIS

Demographic Information

Table 2: Demographic Information

Demographic	Frequency (n=123)	Percentage (%)
Gender:		
Males	97	79
Females	26	21
Age:		
Below 20 years	0	0
20-30 years	0	0
31-40 years	11	9
41-50 years	51	41
51-60 years	43	35
61 years and above	18	15
States from:		
Kuala Lumpur	98	80
Putrajaya	3	2
Labuan	2	2
Other than Federal Territory	20	16
Employment		
Full-Time Employed	105	85
Self-Employed	18	15
Annual Income (Per Year)		
Below RM100,000	5	4
RM100K – RM500K	73	59
RM500K – RM1 Million	34	28
RM1 Million – RM2 Million	6	5
Above RM2 Million	5	4

In the poll, the response distribution between males and females was dramatically different, with 79 percent of the responses coming from men and just 21% coming from women (Table 2). It's possible that this is due to the fact that the questionnaire was not distributed equally by gender. Aside from that, as illustrated in Table 2, the data comprises a varied variety of age categories ranging from 20 to 60 years of age and older. Those between the ages of 41 and 50 years old made up the largest share of responses, followed by those between the ages of 51 and 60 years old.

Additionally, the majority of respondents are from the Federal Territory of Kuala Lumpur, accounting for 80 percent of respondents, followed by respondents from other states such as Perlis, Kedah, and others, accounting for 16 percent of respondents. This finding reveals that individuals who did not live in Kuala Lumpur made zakat donations to the PPZ as well as those who did. According to the results of the poll, 85 percent of those who answered the questions on the Wakalah Zakat Program are employed full-time, with only 15 percent





being self-employed. Also shown in Table 2 is that the highest response rate is obtained from those with an annual income between RM100,000 and RM500,000 per year, followed by those with an annual income between RM500,000 and RM1 Million per year.

Individuals' Attitudes Towards Wakalah Zakat

Table 3: View of Individuals Towards Wakalah Zakat

View of Individuals	Frequency	Percentage (%)
*Motivation of applying Wakalah Zakat Programme:		
To participate in distributing zakat	114	92
To help PPZ and MAIWP in tracing recipients	68	55
To get tax rebate	34	27
Other	16	13
Willingness of participant to continue participate:		
Yes	120	98
No	3	2
*Type of Asnaf distributed to:		
The Needy (Fakir)	95	77
The Poor (Miskin)	117	95
Amil	6	5
Muallaf (Muslim converts)	33	27
Al-Riqab (Slaves)	5	4
Al-Gharimin (Debtor)	37	30
Fisabilillah	101	82
Ibnu Sabil	18	15
*Interpretation of Fisabilillah		
Patients / Health Sector	49	45
Religious teacher / educators	57	53
Religious programs and education	92	85
Other	37	34

*Respondents are allowed to choose more than one answers in this type of questions

This finding reveals that individuals who did not live in Kuala Lumpur made zakat donations to the PPZ as well as those who did. According to the results of the poll, 85 percent of those who answered the questions on the Wakalah Zakat Program are employed full-time, with only 15 percent being self-employed. Also shown in Table 2 is that the highest response rate is obtained from those with an annual income between RM100,000 and RM500,000 per year, followed by those with an annual income between RM500,000 and RM1 Million per year.

Table 3 also illustrates which categories of asnaf were most frequently picked by the participants who were disbursing zakat. In response to the question, more than 90 percent said they distribute zakat donations to the poor, followed by the needy at 77 percent and the Fisabilillah at 82 percent. Several participants, on the other hand, elected to make a donation to the orphanage with their zakat. From the 82 percent of participants who chose fisabilillah as their way of allocating their zakat monies, 85 percent interpreted fisabilillah by allocating zakat to religious programmes and education, with religious teachers/educators coming in second place with 53 percent of participants.



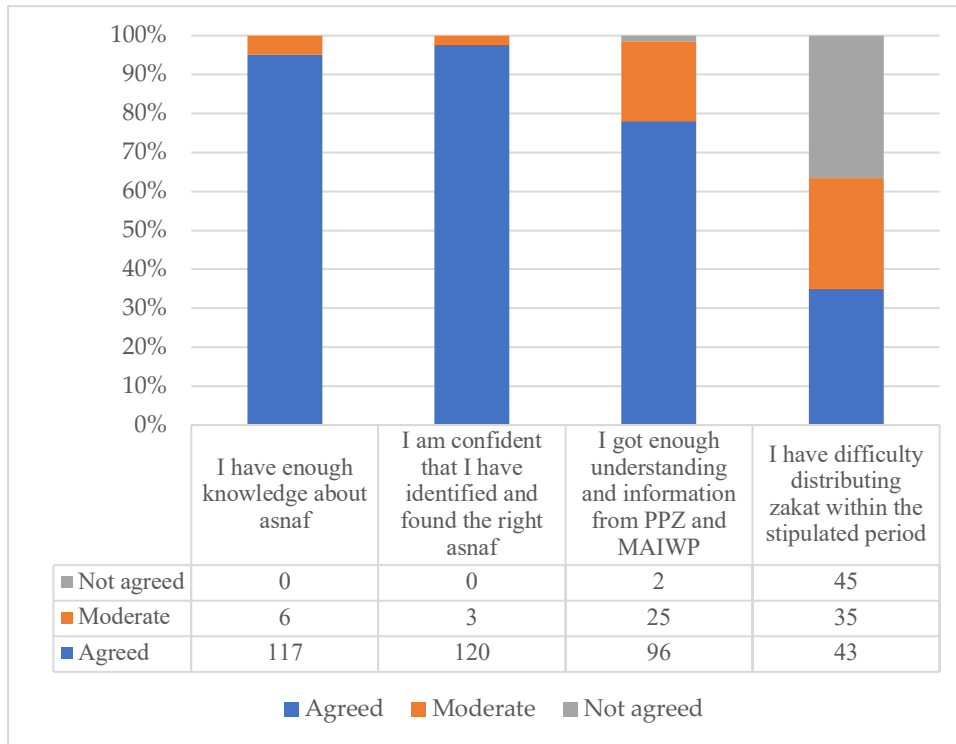


Figure 3: Agreeable Level with the Process

Findings from an Open-Ended Question

The third type of question is an open-ended question. Respondents are not expected to adhere to any guidelines when providing their replies, but they are encouraged to offer suggestions to enhance the answers or responses they have provided. It is not necessary to respond to all of the questions on the questionnaire. This study went over all of the words that participants had provided and then classified them according to their relevance to the study's theme.

Table 4: Responses on Open-Ended Questions

Open-Ended Questions	Response and Comments
Are there other challenges in the distribution process? If yes, state the challenge	The vast majority of those who responded are still worried about giving aid to the appropriate asnaf (recipient). PPZ and MAIWP must give an updated guideline on a regular basis in order to stay up with the poverty line and to alert individuals who require assistance of others who are less fortunate in their lives.
If you have any suggestions for the improvement of the Wakalah Zakat Programme in this section, please state:	<ul style="list-style-type: none"> The process technique in which they proposed using an online platform from the beginning of the process to the finish of the reporting process was mentioned by 21% of those who responded. Because of this, they believed that the online technique would produce a significantly faster response than the email method would. Additional feedback on their reporting of Wakalah Zakat disbursements is sought by them in order to improve and optimise their payouts. Participants expressed their dissatisfaction with the reporting of disbursements and





	<p>their belief that PPZ and MAIWP should simply trust the participant.</p> <ul style="list-style-type: none"> ■ In response to the survey, 16 percent of respondents suggested that the reimbursement percentage be increased, as well as that PPZ and MAIWP give timely information and guidance on a frequent basis. Much of the information that has been required is related to Asnaf and the proper quantity that should be distributed to each recipient. ■ In view of the fact that there are still many asnaf who have not been discovered and aided, 19 percent of respondents indicated that greater awareness should be raised to attract more zakat payers to join the programme. Additionally, they urge that the PPZ and MAIWP diversify zakat recipients by incorporating people who have been designated as asnaf by non-governmental organisations and institutions (NGOs and institutions).
Wakalah Zakat Programme application process is?	Several respondents advocated for members to be automatically enrolled in the programme by default, with the opportunity to opt out if they so desired. The application process, they reasoned, was inconvenient because it had to be completed every year. While the majority of respondents are satisfied with present practises and procedures, the minority are dissatisfied.
Criteria / eligibility of Wakalah Zakat Programme is?	Only 44 people answered to this question, with 65 percent of them indicating satisfaction with the program's present eligibility requirements and eligibility to participate in the programme. On this issue, 11 respondents (out of 44 total) advocated for decreasing the qualifying requirements for the programme, with the remaining participants providing irrelevant comments to this question.
Any comments on the refund rate given for your Wakalah Zakat Programme:	The return rate offered by PPZ and MAIWP has been rated as satisfactory by 61 percent of the 47 respondents. While the remaining respondent believed that the return percentage should be increased in order to aid more eligible asnaf, the remaining respondent did not believe this.
Period for distribution of zakat and preparation of reports?	Most respondents felt that one year is adequate time for zakat distribution and report preparation, with only a few respondents disagreeing.
In your opinion, what can be done to encourage more people to join the Wakalah Zakat Programme?	75 percent of the 65 respondents recommended that PPZ and MAIWP should raise programme awareness in order to pique the interest of eligible zakat payers and encourage them to participate. Campaigns and roadshows, social media adverts, and promotions in traditional media are just a few of the various ideas that have been made. Another 10% of respondents stated that if eligibility rules are amended and the minimum amount of zakat given is reduced, as has been proposed, more zakat payers will be entitled to participate, as has been suggested.





Among family, friends or relatives to whom would you recommend the Zakat Wakalah PPZ and MAIWP Program?

The Wakalah Zakat Program will be recommended to their friends, families, and relatives without the need for further explanation by the vast majority of respondents.

DISCUSSIONS AND RECOMMENDATION

The following discussion and recommendations are based on the findings of the descriptive analysis of the programme, which were highlighted in the results and conclusions part of the questionnaire, as well as information from other sources. To ensure that zakat is collected and disbursed in the future, these proposals seek to strengthen the Wakalah Zakat Program as well as PPZ and MAIWP's management of zakat to that end.

Blockchain Technology Adoption in the Digital Transformation

According to suggestions by some respondents, blockchain technology can be adopted for digital transformation to strengthen the Wakalah Zakat Program as well as PPZ and MAIWP's management of zakat. Blockchain technology is a decentralised, distributed ledger that tracks the origin of digital assets and can be used to track the movement of money. In addition to using decentralised chains to store data, blockchain technology also stores data in an encrypted way that cannot be manipulated by administrators. An example of current technology that is frequently used is this type of technology. In order to ensure a smooth operation of the Blockchain Zakat platform, the process flow was designed after BAZNAS (2020), which PPZ and MAIWP should create in partnership with a recognised information technology company. During the development of the proposal, the following actions will be taken:

1. On the platform, individuals or organisations who seek to make zakat payments will be able to create a digital wallet, which will then be opened in compliance with the E-KYC (Electronic Know Your Customer) standards.
2. ASNAFs (zakat beneficiaries) will be verified and confirmed by MAIWP before being added to the site, and their background information will be included on the platform. Each asnaf will be allocated a unique digital wallet, which will be accessible only to them.
3. Zakat payers will make direct payments to recipients, which will occur in real time, rather than through a third party.
4. The platform will be monitored by MAIWP, with the support of a technological firm on the job.

According to Aysenur and Veysel (2001), the following are some of the advantages of using blockchain technology, which are particularly relevant for PPZ and MAIWP: A blockchain system is immutable, which means that data entered into it cannot be changed, and transactional records with timestamps cannot be altered. This complements the application of sound corporate governance principles; ii) The traditional roles of a zakat institution are as follows: zakat collection, distribution, fund management (including the registration of zakat recipients), raising awareness, and the establishment of zakat programmes in consultation with





shariah. As opposed to this, the blockchain-based zakat platform can alleviate the burdens associated with zakat collection and disbursement, as well as provide: iii) an increase in the number of resources available for finding asnafs, raising awareness about zakat, and setting up zakat programmes with shariah consultation, as well as iv) real-time money transfer from zakat payer to zakat recipient. v) Zakat management becomes more affordable as a result of the elimination of multiple layers of amil, the transfer of some traditional responsibilities to the platform, the incorporation of governance structures into the platform, and the reduction of technical risk as a result of the fact that the data is not entrusted to a third party.

Model of Participant Retention Strategy

According to the conclusions of the study, numerous participants voiced concerns regarding the convenience of the process as well as return percentages. The agents (zakat payers) should be automatically registered in the programme as long as they continue to pay their zakat and do not choose to opt out as a result of this recommendation. Participants are now forced to reapply for the refund each year, and this will gradually eliminate the requirement for reapplication. In addition, PPZ and MAIWP should enhance the return rate on a yearly basis to encourage members to remain in the programme. With a maximum refund ceiling in place, it is necessary to modify the software in order to enhance the refund. Participants' dogged work toward disbursement should be recognised and rewarded with presents and awards, on the other hand, as this shows appreciation for their continued engagement. Those that continuously display great engagement will get a certificate of appreciation, as well as other gifts and awards from the organisation.

Raising Public Awareness and Strengthening Relationships with Stakeholders

Increasing public awareness of zakat should be accomplished through the use of current media like as films and dramas that illustrate how zakat has a positive impact on the recipient's life (MN Paizin, 2017). It is also recommended that zakat ambassadors be appointed to enhance community participation and understanding of the programme, as engagement with the general public and participants is currently relatively low, as previously stated. Because of this, an ambassador should be hired to offer up-to-date information regarding community issues and barriers that participating entities encounter.

CONCLUSION

This strategy, which is being implemented by the Public Private Partnership for Zakat Collection (PPZ and MAIWP), is one of the most effective methods of improving the collection of zakat in Malaysia's Federal Territory. As a result, it promotes a cooperative relationship between the zakat payer and the zakat institution, which helps to achieve the goal of Islamic social finance, which is to alleviate poverty in society. Zakat payers who had previously preferred to disburse and distribute their whole zakat to their allocated asnaf were attracted to the scheme by its simplicity. As a result, the programme allows them to continue doing so while also making contributions to PPZ and MAIWP through the programme. After several years of operation, it is only natural that the Wakalah Zakat Program undergoes a thorough evaluation. In this study, we looked at three unique processes: the application process, the disbursement process, as well as the preparation and submission of report submissions.

According to the findings, the programme is performing admirably in terms of increasing participation across all categories, and the amount of money contributed by





participants in the Wakalah Zakat Programme is showing a healthy year-to-date uptrend line on the charts, which indicates that the programme is on track to achieve its goals. The findings and responses to the survey revealed that the programme was successful in reaching the desired outcome and objective, and the authors of this study believe that the programme should be continued until it is proven to be no longer necessary.

In response to feedback and comments, zakat institutions should make continuous improvements to the programme, such as calling for the digital transformation of the program's processes and procedures, increasing the refund percentage of the zakat fund for disbursement, shortening the waiting period by eliminating lengthy bureaucratic processes, and incentivizing continuous participation in the programme, among other things. This research also argues that as technological development progresses, utilising technology would help zakat institutions to provide superior services to their stakeholders, which include zakat payers and receivers, in the future.

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